

What are the basic responsibilities of nonprofit boards?

1. Determine mission and purpose.

It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.

2. Select the chief executive.

Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.

3. Support and evaluate the chief executive.

The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.

4. Ensure effective planning.

Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.

5. Monitor and strengthen programs and services.

The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.

6. Ensure adequate financial resources.

One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission.

7. Protect assets and provide proper financial oversight.

The board must assist in developing the annual budget and ensuring that proper financial controls are in place.

8. Build a competent board.

All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate their own performance.

9. Ensure legal and ethical integrity.

The board is ultimately responsible for adherence to legal standards and ethical norms.

10. Enhance the organization's public standing.

The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community through advocacy.

What are the legal responsibilities of nonprofit board members?

Under well-established principles of nonprofit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. Several states have statutes adopting some variation of these duties that would be used in court to determine whether a board member acted improperly. These standards are usually described as the duty of care, the duty of loyalty, and the duty of obedience.

• Duty of Care

The duty of care describes the level of competence that is expected of a board member and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

- **Duty of Loyalty**

The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

- **Duty of Obedience**

The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission. This duty also requires board members to obey the law and the organization's internal rules and regulations.

What are the responsibilities of individual board members?

- Attend all board and committee meetings and functions, such as special events.
- Be informed about the organization's mission, services, policies, and programs.
- Review agenda and supporting materials prior to board and committee meetings.
- Serve on committees or task forces and offer to take on special assignments.
- Make a personal financial contribution to the organization.
- Inform others about the organization. Advocate for the organization.
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Keep up-to-date on developments in the organization's field.
- Follow conflict-of-interest and confidentiality policies.
- Refrain from making special requests of the staff.
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the organization's financial statements.

Personal characteristics to consider

- Ability to listen, analyze, think clearly and creatively, and work well with people individually and in a group.
- Willingness to prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment, contribute personal and financial resources in a generous way according to circumstances, open doors in the community, advocate for the organization, and evaluate oneself.
- Interest in developing certain skills that you may not possess, such as in cultivating and soliciting funds, cultivating and recruiting board members and other volunteers, reading and understanding financial statements, and learning more about the substantive program area of the organization.
- Possession of honesty, sensitivity to and tolerance of differing views, community-building skills, personal integrity and sense of values, and concern for your nonprofit's development.

Is there a difference between a board of governors, a board of directors, and a board of trustees?

Legally and in practice, all of these definitions describe the same governing body of a nonprofit. The term "trustee" originally referred to the person who has the fiduciary duty for a charitable trust or a foundation. By tradition, higher education institutions also tend to refer to their board members as trustees.

From *Ten Basic Responsibilities of Nonprofit Boards*